

LNF & IHCIF Calculations Illustration - RIVERSIDE SB in California area -

Given Data

- 9,320 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 35% = % Expenditures on purchased services, 65% = % expenditures in-house
- 111.1% = Cost index for purchasing health care in this geographic area
- 103.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,159 per person for purchased services = $35\% * 111.1\% * \$2,980$
- \$2,009 per person for in-house services = $65\% * 103.7\% * \$2,980$
- \$3,167 per person total = \$1,159 (purchase) + \$2,009 (in-house)
- **\$3,038 per person total** adjusted for health status = $\$3,167 * 95.9\%$
- **\$2,293 per person net cost** = $\$3,038 - \745 Other resources (M&M&PI)

Existing Expenditures (for 9,320 users excluding wrap-around and collections)

- \$1,462 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,737 per person for OU users** = $\$1,462 + \$222 + \$54$

LNF Calculation

- **57.2% Gross LNF** = $\$1,737$ (expenditures) / $\$3,038$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **75.8% Net LNF** = $\$1,737 / \$2,293$ net cost ($\$3,038 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 75.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

RIVERSIDE SB Unmet Needs

- **\$21,374,234 Net Total Need** = $9,320$ users * $\$2,293$ net cost
- **\$5,182,890 Net Unmet Need** = $(100\% - 75.8\% \text{ LNF}) * 9,320$ users * $\$2,293$ net cost